

Iceland Pre-Proposal Conference
Questions & Answers
5 Aug 2003

1. Reference RFP Section 2.5.2 – The Government agrees to tender for outbound shipments only, a minimum of 760 TEU for each firm annual contract period on the route. The 760 TEUs will be split between an Icelandic shipping company and a US-flag carrier IAW the Icelandic Treaty.

This minimum guarantee to the 35% carrier (usually the US-Flag) equates to 266 TEU per year. The US Flag carrier is a dedicated carrier to the US Military with very little commercial cargo. Is this small guarantee reasonable considering the publicly announced downsizing of NAS Keflavik by the Secretary of Defense?

Answer: Yes, We have not received any official word that this downsizing is going to happen, or when it is going to happen. We do not know how much downsizing, if any, will take place. (i.e. How the Airmen and Sailors will be pulled out of Iceland)

2. Reference RFP Section 2.3.2 – Cargo shall be loaded and discharged at the commercial ports in CONUS and at the commercial terminal in Port Njardvik, Iceland. The requirement of having all cargo transport via the Port of Njardvik limits the carriers' ability to negotiate with other ports in Iceland. As the carrier delivers almost all of the cargo to NAS Keflavik we request the Government's reconsideration of this requirement.

Answer: Section 2.3.2, Carriage, the first sentence is changed to read: Cargo shall be loaded and discharged at commercial ports in CONUS and Iceland. The commercial terminal in Port Njardvik, Iceland is the preferred port for this contract. See also the changes for FAR 52.212-2 Evaluation – Commercial Items under the Reliability of Service factor. The following sentence has been added. "Offerors shall describe how their port selection enhances their ability to perform the contract."

3. Reference RFP Section 3.7.1 and 2.3.2 – Un-containerized breakbulk cargo shall be carried and stowed under deck. Offshore supply boats have served as the US-Flag Carrier in the past. However, these vessels do not have under deck cargo capacity. The under deck stowage requirement substantially reduces availability of suitable US-Flag vessels. Is this requirement essential?

Answer: Yes, this item is essential. If breakbulk cargo cannot fit into a container, it must be stored below deck. For the last four and a half years of the contract, MTMC had to pay extra for underdeck storage.. Because of the custom of the trade's weather severity/conditions and past experiences with damaged or salt infested new vehicles, customer and MTMC have requested under deck storage of all DOD breakbulk cargo. For Helicopters, this is a mandatory requirement.

4. Reference MTMC Cares System Cargo Data – Cargo estimated from Norfolk Zone 1 to Keflavik, Iceland for vehicles is requiring a bid per container. From Keflavik, Iceland to Norfolk Zone 1 for vehicles is requiring a bid per Measurement Ton. This appears to be a typo. The projection shows 551 TEUs outbound and 205 M/T CONUS bound. Can the Government confirm / advise?

Answer: Zone 1 bid for vehicles should be measurement ton instead of containers.

5. Reference RFP Section 2.5.2 states that Vehicles shall be translated to a TEU equivalent by converting the manifest measure of all such cargo using a conversion of one TEU per 23.3 measurement tons of cargo. Usually only one POV is carried in one TEU and the average POV is 10.5 M/T. We request the Governments reconsideration.

Answer: Section 2.5.2.a.2) has been changed to reflect POV conversion rate shall be 10.5 measurement tons (MT) per TEU and breakbulk shall be converted at the rate of 21 MT.

6. Reference RFP Sections 4.4.4 and 4.5.4 – Accessorials are not applicable under this Contract. We note the Government will not require accessorial rates however the RFP calls for a flat rack surcharge. Flat rack surcharges are usually quoted in the Cares system as Accessorial. We request advise on how the RFP will handle flat rack surcharges.

Answer: Amended Section 4.5.4 to read “Rates will be negotiated in IAW Section 5.3

7. Since it is our understanding that all rates are based on door delivery/loading in Iceland (NASKEF) and the Carrier is responsible for terminal cost, why does 2.3.2. require cargo to be loaded and discharged at the commercial terminal in Port Njardvik? Should not a Carrier be able to utilize whatever terminal in Iceland it chooses? In this regard, it should further be noted that Njardvik may not be accessible for vessel calls at certain times due to weather and also may not accommodate some larger vessels employed in the U.S. Iceland trade.

Answer: See the answer to question 2. above. These are essentially the same question.

8. In 2.5.2, we question the conversion factors for breakbulk cargo and vehicles. Should the conversion factor for breakbulk cargo be 21 measurement tons per TEU and for vehicles be 11,65 measurement tons per TEU?

Answer: Breakbulk and POV conversion factor rates shall be 21 and 10.5 measurement tons (MT) per TEU.

9. We have reviewed the cargo projections provided in CARE-SM II. We would appreciate greater explanation of these estimates, since they appear to us to be somewhat high in view of historic contents.

Answer: Estimate is built on historical volumes and projected shipper information. A double check of the forecast supports this data.

10. If the Government has no liability for dead freight (see 5.2.1), what if any, compensation is payable to a Carrier for failure of the Government to tender the minimum volume as set forth in 2.5.2?

Answer: Due to the type of contract IDIQ, the Government is required to fund the minimum quantities (volume). Normally an average container/rate is determined and then multiplied by the deficit.

11. We are not aware of any regulatory requirements promulgated by the Surface Transportation Board ("STB") which should be applicable to this contract. What requirements of the STB are contemplated in 6.1?

Answer: We are not aware of any new requirements at this time. But as a Carrier it is your responsibility to check with the Surface Transportation Board (STB), and any other regulatory requirements, to make sure your company is in compliance with all requirements. I was told the STB is the requirements for the inland linehaul for CONUS.

12. Are you able to provide any more details regarding the best value determination to be made as a basis for award than what is set forth in the Instructions of Offerors, particularly the relationship between price and non-price factors.

Answer: Addendum to FAR 52.212-2, Section III (B), the third sentence states "The best value award criteria for each contract will consist of three major factors: Technical Capability, Quality of Past Performance and Price. Price will be considered less important than all other factors combined in awarding the contracts." Further stated in paragraph F or the same addendum states, "Together the non-price factors are more important than the price factor."

13. Will the Government consider Past Performance Information (C. PART III) that is prior to past (3) calendar years if the performed services are materially similar to the services described in this solicitation?

Answer: No, the three year timeframe is set by the Office of Procurement Policy, we need to evaluate your current or recent past performance of similar contracts.

14. As to the definition of "Icelandic Shipping companies" in Attachment 6 of the solicitation, where could I get a copy of the Act on Implementation of Certain Aspects of the Defense Relationship between Iceland and the United States of America, no. 82/2000?

Answer: State Department or Iceland's Embassy

15. On page 12 of the solicitation, reference is made to a minimum volume of 760 TEU's for outbound shipments; is there a minimum from Iceland to the U.S.?

Answer: No, there is no minimum from Iceland to the U.S.

16. Under FAR 52.212-2, one of the elements that the Carrier will be evaluated on is its capability to comply with the data tracking under the EDI (Electronic Data Interchange). At paragraph 3.4.1.2 of the Performance Work Statement, it states that , "the Carrier shall use the Defense Transportation Electronic Data Interchange"; "Versions 3060 or 4010 or later are required." Please advise us on how to access this system (obtain the software?) so as to be able to show that the Carrier can in fact comply with the transaction sets and reports that are required. Thank you for your assistance.

Answer: See Section 3.8.5 EDI, contact Joe Repp at (757) 878-8621. A carrier can propose to use the OCI, small carrier interface until contract is awarded. Once a carrier is awarded the contract, he can work with MTMC to train and set up EDI up in his system, at the Carrier's own expense. Only carriers with Contracts should be granted EDI access.

17. Would a joint venture between a current VISA Participant and a non-VISA Participant that formed as a new company be entitled to a VISA preference so long as the current VISA participant has at least a 51% controlling interest in the joint venture?

Answer: In that it is the intent of the new entity to qualify for the US Flag contract of the solicitation, the new entity will be a US subsidiary, the answer to whether the new entity will qualify as a VISA participant is answered by reference to the Voluntary Intermodal Sealift Agreement, the most current rendition being found at 68 FR 8800, February 25, 2003, paragraph VI(A)(2) (if the new entity were to be a non-domestic subsidiary, then guidance would be found at paragraph VI(A)(3), and the answer would be within the jurisdiction of MARAD/US TRANSCOM).

Paragraph VI(A).

1. Any U.S. Flag vessel operator organized under the laws of a State of the United States, or the District of Columbia, may become a "Participant" in this Agreement by submitting an executed copy of the form referenced in Section VII, and by entering into a VISA Enrollment Contract with DoD which establishes a legal obligation to perform and which specifies payment or payment methodology for all services rendered.

2. The term "Participant" includes the entity described in VI.A.1 above, and all United States subsidiaries and affiliates of the entity, which own, operate, charter or lease ships and intermodal equipment in the regular course of their business and in which the entity holds a controlling interest.

3. Upon request of the entity executing the form referenced in Section VII, the term "Participant" may include the controlled non-domestic subsidiaries and affiliates of such entity signing this Agreement, provided that the Administrator, in coordination with USCINCTrans, grants specific approval for their inclusion.

Therefore, under the facts as I understand them, a US subsidiary of a current VISA Participant, in which that VISA Participant has a controlling interest, would be considered a VISA Participant for purposes of evaluation under the solicitation.

18. With reference to Amendment number 0001, does the solicitation now incorporate only the definition set forth in Article 2, b, or does it incorporate the entire regulation, including the right of the Icelandic Foreign Ministry to pre-qualify Icelandic shipping company? In other words is it MTMC's opinion that the U.S Government recognizes Iceland's right to define an Icelandic shipping company.

Answer: It is not within the purview of the Contracting Officer to interpret laws and regulations of other Countries or set policy for the United States Government. In that I must rely upon the Government of Iceland to identify Icelandic Shipping Companies for the purposes of the Treaty, the definition of Iceland Shipping company found at Article 2 of that regulation is incorporated into the solicitation. There has been much discussion as to what constitutes an Icelandic shipping company and Iceland has published this regulation to clarify the issue.

As for the "pre-qualify" of Icelandic shipping companies, keep in mind, Iceland is only pre-qualifying the company as an Icelandic shipping company, as required by the treaty. They are not rendering an opinion as to the technical/best value qualifications of a carrier to perform a service for MTMC. That right is reserved for the Technical Evaluation Panel and the Source Selection process.

19. With reference to Amendment number 0001, Article 2,b, what is meant by the term "effective control and command?"

Answer: It is not within the purview of the Contracting Officer to interpret laws and regulations of other Countries or set policy for the United States Government. In that I must rely upon the Government of Iceland the following is provided by Dr. Matthías G. Pálsson, First Secretary, Ministry for Foreign Affairs. Therefore, any further questions/discussions pertaining to these answers should be directed to the Government of Iceland. The term "effective control and command" is further defined in the next sentence of the same paragraph, where it is stated that Icelandic Shipping companies should have a direct control relationship with the ships crews and be directly responsible for hiring and firing crewmembers.

20. With reference to Amendment number 0001, Article 2, b, would a vessels be deemed under the "effective control and command" of an Iceland shipping company if the company had the right and power to employ and discharge the master of the vessel?

Answer: It is not within the purview of the Contracting Officer to interpret laws and regulations of other Countries or set policy for the United States Government. In that I must rely upon the Government of Iceland the following is provided by Dr. Matthías G. Pálsson, First Secretary, Ministry for Foreign Affairs. Therefore, any further questions/discussions pertaining to these answers should be directed to the Government of

Iceland. It follows from the definition contained in the regulation that Icelandic Shipping companies should have a direct control relationship with the ships crews and be directly responsible for hiring and firing crewmembers. The right and power to employ and discharge the master of the vessel alone is therefore not sufficient in order to fulfill that requirement.

End of Questions and Answers.